

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 24, 2003 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: Rep. Kathleen Galvin-Halcro (D)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 656 (2/17/03); HB 672 (2/17/03);
HB 675 (2/17/03); HB 688 (2/22/03)

Executive Action: HB 656 Do Pass; HB 205 Do Pass As Amended; HB 675 Do Pass; HB 564 Do Pass As Amended; HB 588 Do Pass As Amended

Testimony which arrived late for the Committee was entered in by **Daniel R. Erving, Daniel R. Erving Agency, Helena**, for HB 732.
EXHIBIT (buh41a01)

HEARING ON HB 675

Sponsor: REP. CAROL C. JUNEAU, HD 85, Browning

Opening Statement by Sponsor:

REP. JUNEAU said this bill prohibits a grocery store or supermarket from selling or distributing a customer list based on customers having member discount cards. They would not be permitted to distribute the list unless the customer consents in writing to being placed on the list. She then provided club card samples.

EXHIBIT (buh41a02)

{Tape: 1; Side: A; Approx. Time Counter: 33 - 78}

Proponents' Testimony:

Beth Brenneman, Legal Director, Montana ACLU, said that the ability to compile vast amounts of information electronically about any individual is wrong. The large grocery chains are being asked, and some have given information to the F.B.I., to construct profiles of individuals. This depends on what they buy at grocery stores. This information is very important, and an individual should have of control over where that information goes.

{Tape: 1; Side: A; Approx. Time Counter: 78 - 122}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. MENDENHALL asked REP. JUNEAU if there were statistics on any abuse of these discount cards. She said, "No."

{Tape: 1; Side: A; Approx. Time Counter: 140 - 165}

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: A; Approx. Time Counter: 190 - 201}

HEARING ON HB 672

Sponsor: REP. JONATHAN WINDY BOY, HD 92, Great Falls

Opening Statement by Sponsor:

REP. WINDY BOY said this bill would generally revise economic development provisions to direct integration of economic development and investment activities with State programs that provide public assistance and work opportunities to the jobless and working poor. The bill would allow these individuals to become more self-sufficient. He also provided written testimony.

EXHIBIT (buh41a03)

{Tape: 1; Side: A; Approx. Time Counter: 201 - 373}

Proponents' Testimony:

REP. CAROL C. JUNEAU, HD 85, Browning, said this bill requested that State departments work together to try to improve the economic situation of Montana's rural poor communities. Time is spent on economic development activities but officials forget about a group of areas in the State that need support as well. State departments must work together to determine what can be done to create livable wages. Creating a pathway to help with economic development for all Montanans is truly the issue. The State's welfare rolls are American Indians and they consist of 41%. Most of these people on welfare do want jobs to support their families.

{Tape: 1; Side: A; Approx. Time Counter: 373 - 443}

Toni Plumber Alverrez, eastern Montana resident, said her perspective is from the Montanan's point-of-view. She also said she had been working in the area of welfare reform since 1994 and watched the evolution and the change in family independence. There was a tremendous amount of money put forth for training, job skill development and education. Many people were removed from the welfare system and were put into training programs. But there are no jobs. There has never been a strong relationship between public assistance, the Department of Labor, the Department of Commerce and economic development. The labor force and communication force could be better.

{Tape: 1; Side: A; Approx. Time Counter: 443 - Tape: 1; Side: B; Approx. Time Counter: 18}

Betty Whiting, Montana Association of Churches, said they support economic opportunities across the State for all people. Everyone should have the chance for meaningful work and a way to support themselves and their families.

{Tape: 1; Side: B; Approx. Time Counter: 18 - 44}

Linda Gryczan, Montana Women's Lobby, said that among their membership it is not enough to tell people they can no longer be on welfare. It is not enough to offer them job training because the jobs do not exist and the jobs don't provide a living wage. This needs to be paid with economic development funds to really offer a better future for Montana citizens.

{Tape: 1; Side: B; Approx. Time Counter: 44 - 53}

Opponents' Testimony: None

Informational Testimony:

Ingrid Childress, Administrator, Work Force Services Division, Department of Labor & Industry, said the Governor has appointed a State Work Force Investment Board. She said she would answer questions from the Committee.

{Tape: 1; Side: B; Approx. Time Counter: 53 - 123}

Questions from Committee Members and Responses:

REP. MENDENHALL asked **REP. WINDY BOY** if there was a fiscal note for this bill. **REP. WINDY BOY** said there was not.

{Tape: 1; Side: B; Approx. Time Counter: 123 - 197}

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: B; Approx. Time Counter: 197 - 283}

HEARING ON HB 688

Sponsor: **REP. CINDY YOUNKIN, HD 28, Bozeman**

Opening Statement by Sponsor:

REP. YOUNKIN said this bill required each health insurance issuer to offer a limited benefit contract, free of state mandated health benefits. It would also offer health insurance coverage that includes state-mandated health benefits for health care services related to a specific illness, injury, or condition of

the person under coverage. She also presented proposed amendments.

EXHIBIT (buh41a04)

{Tape: 1; Side: B; Approx. Time Counter: 283 - 438}

Proponents' Testimony:

Steve Turkiewicz, Executive President, Montana Auto Dealers Association, said his concern was mostly regarding the cost of health insurance. A person can only have affordable health insurance when there is affordable health care. Montana citizens need to have the ability, consideration and option to choose the type of insurance plan that would be the best for any particular family. There are health care plans being dropped by families because they cannot afford the premiums.

{Tape: 1; Side: B; Approx. Time Counter: 438 - 512}

John Cadby, Montana Bankers Association, provided testimony from Jim Edwards, and a copy of The Heritage Foundation Backgrounder Executive Summary.

EXHIBIT (buh41a05)

EXHIBIT (buh41a06)

{Tape: 2; Side: A; Approx. Time Counter: 1 - 39}

Susan Good, Montana Orthopedic Society, said health insurance should take care of all health care needs. The reason health care costs are so expensive is because the public expects insurance to pay for everything. This bill would make health insurance affordable to everyone. With the rate of uninsured in Montana, this needs to be addressed.

{Tape: 2; Side: A; Approx. Time Counter: 39 - 62}

Webb Brown, Montana Chamber of Commerce, said this bill is providing an option of a low mandate benefit plan. There will not be affordable health insurance until there is affordable health care.

{Tape: 2; Side: A; Approx. Time Counter: 62 - 79}

Margaret Morgan, Independent Electrical Contractors, said when a new employee is hired, the single most-asked question is whether the company offers health insurance. This bill would be a step in the right direction.

{Tape: 2; Side: A; Approx. Time Counter: 79 - 91}

Riley Johnson, National Federation of Independent Business, said access for health insurance is becoming a major concern for small businesses.

{Tape: 2; Side: A; Approx. Time Counter: 91 - 113}

Brad Griffen, Montana Retail Association, said premiums have reached house-payment size. Their organization urged passage of this bill.

{Tape: 2; Side: A; Approx. Time Counter: 113 - 119}

Don Allen, Montana Association of Insurance and Financial Advisors, said, from an agent's prospective, many people cannot afford the coverage they would like to have. There should be a choice on mandates.

{Tape: 2; Side: A; Approx. Time Counter: 119 - 143}

Tanya Ask, Blue Cross/Blue Shield, said their organization would like to make such a plan as this available to customers.

{Tape: 2; Side: A; Approx. Time Counter: 143 - 165}

Frank Cote, Health Insurance Association of America, presented an article which appeared in USA Today on how small businesses deal with increasing health costs.

EXHIBIT (buh41a07)

{Tape: 2; Side: A; Approx. Time Counter: 165 - 186}

Carl Schweitzer, Subcontractors and Plumbers Association, wanted to go on record for supporting this bill.

{Tape: 2; Side: A; Approx. Time Counter: 186 - 193}

Keith Olson, Montana Logging Association, said their Association now insures 500 less employees. Employees are no longer picking up the option on dependents because of the cost of insurance.

{Tape: 2; Side: A; Approx. Time Counter: 193 - 202}

Jacqueline Lenmark, American Insurance Association and American Counsel of Life Insurers, said they support any effort to allow companies to make available to consumers, a variety of products that can be tailored to a specific consumers needs.

{Tape: 2; Side: A; Approx. Time Counter: 202 - 217}

Opponents' Testimony:

Claudia Clifford, Insurance Commissioner's Office, presented informational material about the concerns of this bill and Montana Code Annotated regarding the uniform health benefit plan for individuals and groups; and testimony from Cecil D. Bykerk, Mutual of Omaha Insurance Co.

EXHIBIT (buh41a08)

EXHIBIT (buh41a09)

EXHIBIT (buh41a10)

{Tape: 2; Side: A; Approx. Time Counter: 217 - 408}

Gary Mihelish, DDS, National Alliance for the Mentally Ill, said this perpetuates the discrimination and stigma for people with mental illness. This bill will interfere with the safety of people in Montana.

{Tape: 2; Side: A; Approx. Time Counter: 408 - 506}

Chris Volinkaty, Developmentally Disabled Children and Families, said they oppose this bill. Insurance is a risk pool.

{Tape: 2; Side: B; Approx. Time Counter: 1 - 12}

Janie McCall, Deaconess Billings Clinic, Montana Children's Initiative, Montana Association of Independent Disability Services Systems Advocacy, said they oppose this bill. This bill interferes with the protection and rights of consumers. They are concerned about the cost-shifting element.

{Tape: 2; Side: B; Approx. Time Counter: 12 - 31}

MaryAnne Guggenheim, M.D., presented written testimony.

EXHIBIT (buh41a11)

{Tape: 2; Side: B; Approx. Time Counter: 31 - 75}

June Hermanson, Montanans With Disabilities for Equal Access, said they oppose this bill.

{Tape: 2; Side: B; Approx. Time Counter: 75 - 105}

Jane Lott, Kalispell resident, said she opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 105 - 132}

Linda Gryczan, Montana Women's Lobby, provided written testimony.

EXHIBIT (buh41a12)

{Tape: 2; Side: B; Approx. Time Counter: 132 - 138}

Christy Blazer, Rimrock Foundation, opposes the bill.

{Tape: 2; Side: B; Approx. Time Counter: 138 - 140}

John Flink, Montana Hospital Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 140 - 142}

Don Hargrove, Montana Addictive Services Providers, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 142 - 144}

Pat Harper, American Association of Retired People, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 144 - 145}

Chris Christians, Montana Chapter, National Association of Social Workers, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 145 - 147}

Verner Bertlesen, Montana Senior Citizen's Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 147 - 149}

Mary McCue, Montana Dental Association and Montana Clinical Mental Health Counselors Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 149 - 155}

Mary Musil, Helena resident, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 155 - 157}

Anita Rossman, Montana Advocacy Program, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 157 - 160; Comments: She indicated she had written testimony but it was not presented to the committee.}

Mary Hernandez, American Diabetes Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 160 - 163}

Sami Butler, Montana Nurses's Association, provided written testimony.

EXHIBIT (buh41a13)

{Tape: 2; Side: B; Approx. Time Counter: 163 - 165}

Darcy Wideman, Helena resident, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 165 - 166}

Beda Lovitt, Physician Members, Montana Medical Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 166 - 169}

Al Davis, Montana Mental Association, opposes this bill.

{Tape: 2; Side: B; Approx. Time Counter: 169 - 171}

Lani Candalora, Montana Catholic Conference, provided written testimony.

EXHIBIT (buh41a14)

{Tape: 2; Side: B; Approx. Time Counter: 171 - 174}

Informational Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN MCKENNEY asked REP. YOUNKIN if an insurance company is to offer a plan without the benefits and if the amendment is adopted, would all or none of the mandates be provided. **REP.**

YOUNKIN said it was a pick-and-choose.

{Tape: 2; Side: B; Approx. Time Counter: 186 - 313}

Closing by Sponsor:

The sponsor closed

{Tape: 2; Side: B; Approx. Time Counter: 313 - 411}

HEARING ON HB 656

Sponsor: REP. ROD BITNEY, HD 77, Kalispell

Opening Statement by Sponsor:

REP. BITNEY said this bill would eliminate the Safety Employment Education and Training Advisory Committee.

{Tape: 2; Side: B; Approx. Time Counter: 411 - 464}

Proponents' Testimony:

Jerry Keck, Administrator, Employment Relations Division, Department of Labor & Industry, said this bill will eliminate a Committee which was established at the same time the Legislature passed the Montana Safety Culture Act in 1993. The Committee was established to provide guidance and direction to the Department, and to oversee of the Safety Culture Act.

{Tape: 2; Side: B; Approx. Time Counter: 464 - 515}

Webb Brown, Montana Chamber of Commerce, supports this bill.

{Tape: 3; Side: A; Approx. Time Counter: 1 - 6}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. GALLIK questioned Mr. Keck about the administrative rules.

Mr. Keck said the rules were regularly upgraded by the new federal rules.

{Tape: 3; Side: A; Approx. Time Counter: 6 - 38}

Closing by Sponsor:

The sponsor closed.

{Tape: 3; Side: A; Approx. Time Counter: 38 - 40}

EXECUTIVE ACTION ON HB 656

{Tape: 3; Side: A; Approx. Time Counter: 38 - 500}

Motion/Vote: REP. BITNEY moved that HB 656 DO PASS. Motion carried 18-0.

Motion/Vote: REP. BITNEY moved HB 656 BE PLACED ON THE CONSENT CALENDAR. Motion carried 18-0.

EXECUTIVE ACTION ON HB 205

Motion: REP. ROME moved that HB 205 DO PASS.

Motion: REP. ROME moved that HB 205 BE AMENDED.
EXHIBIT (buh41a15)

Discussion:

REP. ROME explained the results of the subcommittee on this bill and the amendments.

Mr. Campbell also explained the amendments.

Betsy Griffing, Chief Counsel, State Auditor's Office, explained the amendments.

Jill Gerdrun, State Auditor's Office, explained the amendments.

Vote: Motion carried 18-0.

Motion/Vote: REP. ROME moved that HB 205 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 675

Motion: REP. KEANE moved that HB 675 DO PASS.

Discussion:

REPS. MENDENHALL, McKENNEY, and STEINBEISSER opposed this bill.

REPS. KEANE, MORGAN, and BOOKOUT-REINICKE support this bill.

Vote: A roll call vote was taken. Motion HB 675 carried 11-7 with REPS. McKENNEY, STEINBEISSER, BITNEY, HAWK, MAEDJE, MENDENHALL, and ROME voting no.

EXECUTIVE ACTION ON HB 564

Motion: REP. KEANE moved that HB 564 DO PASS.

NOTE: Each set of the amendments were voted on separately.

Motion/Vote: REP. KEANE moved that HB 564 BE AMENDED.

Motion carried 18-0.

EXHIBIT (buh41a16)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Discussion:

CHAIRMAN McKENNEY requested the amendment in Exhibit 17 be cancelled.

EXHIBIT (buh41a17)

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a18)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a19)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a20)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a21)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a22)

Motion: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED.

Substitute Motion/Vote: REP. MCKENNEY moved that HB 564 BE AMENDED. Motion carried 18-0.

EXHIBIT (buh41a23)

Motion/Vote: REP. MCKENNEY moved that HB 564 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 588

Motion: REP. MATTHEWS moved that HB 588 DO PASS.

Motion/Vote: REP. MATTHEWS moved that HB 588 BE AMENDED. A roll call vote was taken. Motion carried 15-3 with REPS. GALLIK, LAWSON, and WEISS voting no.

EXHIBIT (buh41a24)

Motion/Vote: REP. KEANE moved that HB 588 DO PASS AS AMENDED. A roll call vote was taken. Motion carried 10-8 with REPS. KEANE, BERGREN, FRITZ, GALLIK, GALVIN-HALCRO, LAWSON, WEISS, and WILSON voting no.

Motion/Vote: REP. GALLIK moved that the Committee adjourn at 11:30. A roll call vote was taken. Motion carried 12-6 with REPS. MCKENNEY, BOOKOUT-REINICKE, HAWK, MENDENHALL, MORGAN, and ROME voting no.

ADJOURNMENT

Adjournment: 11:45 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh41aad)